

JUDICIAL IMPACT FISCAL NOTE

Bill Number: 5160 SB	Title: Landlord – Tenant Relations	Agency: 055 – Administrative Office of the Courts (AOC)
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Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
Total:					

Estimated Expenditures from:

STATE	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE – Staff Years					
Account					
General Fund – State (001-1)					
State Subtotal					
COUNTY					
County FTE Staff Years					
Account					
Local - Counties					
Counties Subtotal					
CITY					
City FTE Staff Years					
Account					
Local – Cities					
Cities Subtotal					
Local Subtotal					
Total Estimated Expenditures:					

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.

Check applicable boxes and follow corresponding instructions:

☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form parts I-V

☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

Legislative Contact:	Phone:	Date:
Agency Preparation: Sam Knutson	Phone: 360-704-5528	Date: 1/21/2021
Agency Approval: Ramsey Radwan	Phone: 360-357-2406	Date:
OFM Review:	Phone:	Date:

Part II: Narrative Explanation

This bill would:

- Prohibit landlords from terminating or refusing to renew a rental lease that expires at the end of the lease term or is subject to a twenty day termination notice until two years after expiration of any public health emergency, with some specified exceptions;
- Authorize tenants adversely impacted by COVID to terminate their tenancy upon a twenty-day notice;
- Prohibit landlords from charging or imposing late fees or other charges for nonpayment of rent during any public health emergency;
- Require landlords, prior to any collection action for unpaid rent accrued during the Governor's eviction moratorium or during any public health emergency, to first offer tenants a repayment plan based on the financial, health, or other circumstances of the tenant;
- Require a court to appoint counsel for indigent tenants at the initial hearing and at trial and for the state to pay the costs of such legal services (subject to appropriation);
- Require the Department of Commerce (COM) to authorize landlord access to state rental assistance programs;
- Require a court to seal unlawful detainer actions unless the landlord prevails at the initial hearing or trial or any default judgment is not vacated or set aside within sixty days of the complaint filing; and
- Eliminate the optional notice for landlords to use in nonpayment of rent cases that instruct tenants to pay into the court registry the rent allegedly owed or file a statement denying rent is owed.

Part II.A – Brief Description of what the Measure does that has fiscal impact on the Courts

This bill would provide tenants with additional rights and protections during an eviction process.

A landlord may not terminate a tenancy until two years after the expiration of a public health emergency. Exceptions are provided when the landlord wishes to sell the property or the landlord and tenant live in the same dwelling. If a landlord violates this section, the tenant can bring a civil action and ask for damages in the amount of 4-1/2 times the rental amount.

A tenant's right to possess a dwelling cannot be conditioned on the payment of rent during the eviction moratorium period. Tenants can terminate the rental agreement early and a landlord cannot seek any penalties for the early termination.

Landlords must offer tenants repayment plans for past due rent before initiating a collections action.

Section 6 – Would require a court to appoint an attorney for eligible tenants at a trial or show cause hearing. The state would be required to pay for the attorney subject to the amounts appropriated to this purpose.

Section 7 – Would provide that the Office of Civil Legal Aid (OCLA) will receive the appropriated funds and contract with attorneys to provide this service. 90 days after the effective date of this bill, the OCLA must submit an implementation plan to legislative committees and to the Administrative Office of the Courts (AOC).

Section 16 – Would provide that a court can only allow access to unlawful detainer cases files if the requesting person is a party, a resident of the premise, the person can provide the names

and addresses of the plaintiff and defendant, or by an order of the court. The bill requires the court to automatically and permanently seal unlawful detainer cases.

II.B - Cash Receipt Impact

None.

II.C – Expenditures

Fiscal impact is indeterminate, but expected to be significant. It is unknown how many cases this bill may create, but it is possible / likely to be in the tens of thousands.

In addition to the substantially increased caseload, it is expected that (on average) cases will take longer and additional hearings will be required for each case. For example, cases that require an appointed attorney will require an appointment hearing where previously none was needed. Additional hearings and proceedings are likely to substantially increase judicial officer time, and would likely require the appointment of additional judicial officers (judge, court commissioners, and staff).

Section 16 would require revisions to AOC and statewide judicial information systems. Systems would need to be reconfigured to allow for the expected significant caseload. Further, the AOC would be required to staff and support Portal requests from case participants. It is unknown how many requests would result, but it is estimated that each request would take a minimum of five AOC staff minutes per registrant.

Part III: Expenditure Detail

III.A – Expenditures by Object or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE – Staff Years					
A – Salaries & Wages					
B – Employee Benefits					
C – Prof. Service Contracts					
E – Goods and Services					
G – Travel					
J – Capital Outlays					
P – Debt Service					
Total:					

III.B – Detail:

Job Classification	Salary	FY 2022	FY 2023	2021-23	2023-25	2025-27
Total FTE's						

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.